

AMENDMENT #5

OFFERED IN THE SENATE

BY SENATOR HUGHES

TO: SCS CSHB 69(FIN)

1 Page 1, line 1:

2 Delete "relating to the base student allocation;"

3 Insert "relating to education; relating to open enrollment in public schools;  
4 relating to performance incentive awards for teachers and parents of students; relating  
5 to teacher spending accounts; relating to charter schools; relating to transportation of  
6 students; relating to school bond debt reimbursement; relating to state boarding  
7 schools; relating to correspondence study programs; relating to the base student  
8 allocation; relating to teacher retention and recruitment incentives; relating to mobile  
9 communication devices in schools; establishing an education scholarship account  
10 program for certain students;"

11

12 Page 1, following line 2:

13 Insert new bill sections to read:

14 **\*\* Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
15 to read:

16 **SHORT TITLE.** This Act may be known as the Student and Teacher Excel Package.

17 **\* Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
18 read:

19 **LEGISLATIVE INTENT.** It is the intent of the legislature that money provided under  
20 sec. 21 of this Act may not be directed to building the assets of a private educational  
21 institution but may be directed to a private educational institution to benefit the child through  
22 education as described in pages 1509 - 1532 of the proceedings of the Alaska Constitutional  
23 Convention relating to art. VII, sec. 1, Constitution of the State of Alaska.

1 \* **Sec. 3.** AS 14.03.080(a) is amended to read:

2 (a) **Subject to AS 14.14.110 and 14.14.120, a [A]** child of school age is  
3 entitled to attend public school without payment of tuition during the school term

4 **(1) in the school district in which the child is a resident; and**

5 **(2) in or outside the school district in which the child is a resident**  
6 **as provided in (i) of this section** [SUBJECT TO THE PROVISIONS OF  
7 AS 14.14.110 AND 14.14.120].

8 \* **Sec. 4.** AS 14.03.080 is amended by adding new subsections to read:

9 (i) Each school district shall, upon application by a parent of a child of school  
10 age and subject to AS 14.14.110, 14.14.120, and the enrollment capacity limitations of  
11 a selected school, allow the child to attend the school in the district selected by the  
12 parent instead of the school that is assigned to the child based on the child's residence  
13 within another school's or school district's boundary area. The district shall approve  
14 enrollment applications throughout the school year and in the order the district  
15 receives the applications, except that the district shall prioritize the enrollment of  
16 siblings in the same school. Each district shall annually report to the department and  
17 publish on the district's publicly available Internet website student enrollment data for  
18 each school in the district, including enrollment capacity and vacancies for each grade  
19 in the school, the number of enrollment applications the district received, the number  
20 of those applications the district approved, the number of those applications the district  
21 denied, and an explanation of the reason for each denial.

22 (j) The department shall

23 (1) compensate a school district at the end of a school year to account  
24 for a year-end ADM that is greater than the district's student count data provided under  
25 AS 14.17.600;

26 (2) establish by regulation a student transportation plan for children  
27 whose enrollment applications are approved under (i) of this section; and

28 (3) establish by regulation a process for appealing a school district's  
29 denial of an enrollment application.

30 (k) Nothing in (i) of this section applies to a correspondence study program  
31 provided under AS 14.03.300.

1 \* **Sec. 5.** AS 14.03 is amended by adding a new section to read:

2           **Sec. 14.03.124. Performance incentive awards.** (a) Each school district shall  
3 provide a performance incentive award to the teachers and parents of a student in the  
4 school district who shows improvement in learning outcomes. The award must be  
5 based on a four-level performance improvement scale. The total of the awards  
6 provided to a teacher may not exceed \$10,000. The amount of the award is

7                   (1) \$1,000 in the aggregate for teachers of a student, and \$100 in the  
8 aggregate for parents of a student, who shows improvement from level one to level  
9 two;

10                   (2) \$750 in the aggregate for teachers of a student, and \$100 in the  
11 aggregate for parents of a student, who shows improvement from level two to level  
12 three;

13                   (3) \$500 in the aggregate for teachers of a student, and \$100 in the  
14 aggregate for parents of a student, who shows improvement from level three to level  
15 four.

16           (b) The department shall establish by regulation

17                   (1) the criteria for awarding a performance incentive award at each  
18 level of improvement; and

19                   (2) the manner in which a school district must distribute an award if a  
20 student has more than one teacher or more than one parent.

21           (c) In this section,

22                   (1) "parent" means an individual who is the natural or adoptive parent  
23 of a student or a student's legal guardian;

24                   (2) "school district" has the meaning given in AS 14.30.350.

25 \* **Sec. 6.** AS 14.03 is amended by adding a new section to read:

26           **Sec. 14.03.128. Teacher spending accounts.** (a) Each school district shall  
27 establish a teacher spending account for each certificated teacher in the school district.  
28 On July 1 of each year, the department shall provide to each school district a grant of  
29 \$5,000 for each teacher spending account in the school district. A school district may  
30 expend money from a teacher spending account only for the teacher for whom the  
31 account was established and only to support student learning.

1 (b) A school district that receives a grant under this section may not spend on  
2 educational supplies and material in a fiscal year an amount that, excluding the  
3 amount received under (a) of this section, is less than the amount the school district  
4 spent on educational supplies and material in the previous fiscal year.

5 (c) A school district may carry forward for five fiscal years not more than 20  
6 percent of the unexpended and unobligated portion of the teacher spending account for  
7 each fiscal year. Money carried forward under this subsection is reserved and excluded  
8 from the unreserved portion of a district's year-end fund balance in the school  
9 operating fund under AS 14.17.505.

10 (d) In this section, "school district" has the meaning given in AS 14.30.350.

11 \* Sec. 7. AS 14.03.250(d) is amended to read:

12 (d) If a local school board or a delegated agency denies an application for a  
13 charter school, the applicant may appeal the denial to the commissioner. The appeal to  
14 the commissioner shall be filed not later than 60 days after the local school board or  
15 the delegated agency issues its written decision of denial. The commissioner shall  
16 review the local school board's or the delegated agency's decision to determine  
17 whether the findings of fact are supported by substantial evidence and whether the  
18 decision is contrary to law. A decision of the commissioner upholding the denial by  
19 the local school board or the delegated agency may be appealed within 30 days to the  
20 state Board of Education and Early Development.

21 \* Sec. 8. AS 14.03.253(a) is amended to read:

22 (a) In an appeal to the commissioner under AS 14.03.250, the commissioner  
23 shall review the record before the local school board or the delegated agency. The  
24 commissioner may request written supplementation of the record from the applicant,  
25 [OR] the local school board, or the delegated agency. The commissioner may

26 (1) remand the appeal to the local school board or the delegated  
27 agency for further review;

28 (2) approve the charter school application and forward the application  
29 to the state Board of Education and Early Development with or without added  
30 conditions; or

31 (3) uphold the decision denying the charter school application; if the

1 commissioner upholds a local school board's or a delegated agency's decision to deny  
 2 a charter school application and the applicant appeals to the State Board of Education  
 3 and Early Development, the commissioner shall immediately forward the application  
 4 and record to the state Board of Education and Early Development.

5 \* **Sec. 9.** AS 14.03 is amended by adding a new section to read:

6 **Sec. 14.03.254. Board-authorized charter schools.** (a) The state Board of  
 7 Education and Early Development may authorize the establishment of a charter school  
 8 in any school district in the state. The state board shall prescribe by regulation an  
 9 application procedure for the establishment of a charter school under this section.

10 (b) The state board shall issue a written decision approving or denying an  
 11 application for a charter school within 90 days after the state board receives the  
 12 application. If the state board approves the application, the local school board of the  
 13 school district in which the state board authorized the establishment of the charter  
 14 school shall operate the charter school as provided in AS 14.03.255 - 14.03.290.

15 (c) The state Board of Education and Early Development may delegate the  
 16 state board's authority to approve or deny an application for a charter school to a  
 17 committee of the state board, a political subdivision of the state, the University of  
 18 Alaska, or other state agency.

19 \* **Sec. 10.** AS 14.09.010(a) is repealed and reenacted to read:

20 (a) A school district that provides student transportation services for the  
 21 transportation of students who reside a distance from established schools is eligible to  
 22 receive funding for operating or subcontracting the operation of the transportation  
 23 system for students to and from the schools within the student's transportation service  
 24 area. Subject to appropriation, the amount of funding provided by the state for  
 25 operating the student transportation system is the amount of a school district's ADM,  
 26 less the ADM for the district's correspondence programs during the current fiscal year,  
 27 multiplied by the per student amount for the school district as follows, for the school  
 28 years beginning July 1, 2025:

DISTRICT	PER STUDENT AMOUNT
Alaska Gateway	\$2,790
Aleutians East	416

1	Anchorage	584
2	Annette Island	244
3	Bering Strait	66
4	Bristol Bay	3,583
5	Chatham	376
6	Copper River	2,127
7	Cordova	450
8	Craig	567
9	Delta/Greely	2,221
10	Denali	2,423
11	Dillingham	1,632
12	Fairbanks	1,095
13	Galena	341
14	Haines	839
15	Hoonah	400
16	Iditarod	284
17	Juneau	809
18	Kake	364
19	Kashunamiut	7
20	Kenai Peninsula	1,227
21	Ketchikan	975
22	Klawock	783
23	Kodiak Island	1,071
24	Kuspuk	877
25	Lake and Peninsula	515
26	Lower Kuskokwim	372
27	Lower Yukon	1
28	Matanuska-Susitna	1,220
29	Nenana	788
30	Nome	833
31	North Slope	1,502

1	Northwest Arctic	33
2	Pelican	97
3	Petersburg	503
4	Saint Mary's	259
5	Sitka	574
6	Skagway	48
7	Southeast Island	1,549
8	Southwest Region	801
9	Unalaska	869
10	Valdez	987
11	Wrangell	939
12	Yakutat	998
13	Yukon Flats	354
14	Yukon/Koyukuk	419
15	Yupit	2.

16 \* **Sec. 11.** AS 14.11.014(d) is amended to read:

17 (d) Notwithstanding any other provision of law, the committee may not  
 18 recommend for approval an application for bond debt reimbursement made by a  
 19 municipality for school construction or major maintenance for indebtedness authorized  
 20 by the qualified voters of the municipality on or after January 1, 2015, but before  
 21 July 1, 2030 [2025].

22 \* **Sec. 12.** AS 14.11.100(a) is amended to read:

23 (a) During each fiscal year, the state shall allocate to a municipality that is a  
 24 school district the following sums:

25 (1) payments made by the municipality during the fiscal year two years  
 26 earlier for the retirement of principal and interest on outstanding bonds, notes, or other  
 27 indebtedness incurred before July 1, 1977, to pay costs of school construction;

28 (2) 90 percent of

29 (A) payments made by the municipality during the fiscal year  
 30 two years earlier for the retirement of principal and interest on outstanding  
 31 bonds, notes, or other indebtedness incurred after June 30, 1977, and before

1 July 1, 1978, to pay costs of school construction;

2 (B) cash payments made after June 30, 1976, and before July 1,  
3 1978, by the municipality during the fiscal year two years earlier to pay costs  
4 of school construction;

5 (3) 90 percent of

6 (A) payments made by the municipality during the fiscal year  
7 two years earlier for the retirement of principal and interest on outstanding  
8 bonds, notes, or other indebtedness incurred after June 30, 1978, and before  
9 January 1, 1982, to pay costs of school construction projects approved under  
10 AS 14.07.020(a)(11);

11 (B) cash payments made after June 30, 1978, and before July 1,  
12 1982, by the municipality during the fiscal year two years earlier to pay costs  
13 of school construction projects approved under AS 14.07.020(a)(11);

14 (4) subject to (h) and (i) of this section, up to 90 percent of

15 (A) payments made by the municipality during the current  
16 fiscal year for the retirement of principal and interest on outstanding bonds,  
17 notes, or other indebtedness incurred after December 31, 1981, and authorized  
18 by the qualified voters of the municipality before July 1, 1983, to pay costs of  
19 school construction, additions to schools, and major rehabilitation projects that  
20 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

21 (B) cash payments made after June 30, 1982, and before July 1,  
22 1983, by the municipality during the fiscal year two years earlier to pay costs  
23 of school construction, additions to schools, and major rehabilitation projects  
24 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

25 (C) payments made by the municipality during the current  
26 fiscal year for the retirement of principal and interest on outstanding bonds,  
27 notes, or other indebtedness to pay costs of school construction, additions to  
28 schools, and major rehabilitation projects that exceed \$25,000 and are  
29 submitted to the department for approval under AS 14.07.020(a)(11) before  
30 July 1, 1983, and approved by the qualified voters of the municipality before  
31 October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the

1 annual growth rate of average daily membership of the municipality is more  
2 than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual  
3 growth rate of average daily membership of the municipality is 12 percent or  
4 more; payments made by a municipality under this subparagraph on total  
5 project costs that exceed the amounts set out in (i) and (ii) of this subparagraph  
6 are subject to (5)(A) of this subsection;

7 (5) subject to (h) - (j) of this section, 80 percent of

8 (A) payments made by the municipality during the fiscal year  
9 for the retirement of principal and interest on outstanding bonds, notes, or  
10 other indebtedness authorized by the qualified voters of the municipality

11 (i) after June 30, 1983, but before March 31, 1990, to  
12 pay costs of school construction, additions to schools, and major  
13 rehabilitation projects that exceed \$25,000 and are approved under  
14 AS 14.07.020(a)(11); or

15 (ii) before July 1, 1989, and reauthorized before  
16 November 1, 1989, to pay costs of school construction, additions to  
17 schools, and major rehabilitation projects that exceed \$25,000 and are  
18 approved under AS 14.07.020(a)(11); and

19 (B) cash payments made after June 30, 1983, by the  
20 municipality during the fiscal year two years earlier to pay costs of school  
21 construction, additions to schools, and major rehabilitation projects that exceed  
22 \$25,000 and are approved by the department before July 1, 1990, under  
23 AS 14.07.020(a)(11);

24 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments  
25 made by the municipality during the fiscal year for the retirement of principal and  
26 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
27 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay  
28 costs of school construction, additions to schools, and major rehabilitation projects  
29 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

30 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments  
31 made by the municipality during the fiscal year for the retirement of principal and

1 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
2 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay  
3 costs of school construction, additions to schools, and major rehabilitation projects;

4 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
5 projects funded by the bonds, notes, or other indebtedness have been approved by the  
6 commissioner, 70 percent of payments made by the municipality during the fiscal year  
7 for the retirement of principal and interest on outstanding bonds, notes, or other  
8 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
9 1995, but before July 1, 1998, to pay costs of school construction, additions to  
10 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
11 under AS 14.07.020(a)(11);

12 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
13 projects funded by the bonds, notes, or other indebtedness have been approved by the  
14 commissioner, 70 percent of payments made by the municipality during the fiscal year  
15 for the retirement of principal and interest on outstanding bonds, notes, or other  
16 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
17 1998, but before July 1, 2006, to pay costs of school construction, additions to  
18 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
19 under AS 14.07.020(a)(11);

20 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after  
21 projects funded by the bonds, notes, or other indebtedness have been approved by the  
22 commissioner, 70 percent of payments made by the municipality during the fiscal year  
23 for the retirement of principal and interest on outstanding bonds, notes, or other  
24 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
25 1998, to pay costs of school construction, additions to schools, and major  
26 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),  
27 and are not reimbursed under (n) of this section;

28 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
29 funded by the bonds, notes, or other indebtedness have been approved by the  
30 commissioner, 70 percent of payments made by a municipality during the fiscal year  
31 for the retirement of principal and interest on outstanding bonds, notes, or other

1 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
2 1999, but before January 1, 2005, to pay costs of school construction, additions to  
3 schools, and major rehabilitation projects and education-related facilities that exceed  
4 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)  
5 or (o) of this section;

6 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
7 of payments made by a municipality during the fiscal year for the retirement of  
8 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
9 the qualified voters of the municipality on or after June 30, 1999, but before January 1,  
10 2005, to pay costs of school construction, additions to schools, and major  
11 rehabilitation projects and education-related facilities that exceed \$200,000, are  
12 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
13 section;

14 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after  
15 projects funded by the tax exempt bonds, notes, or other indebtedness have been  
16 approved by the commissioner, 70 percent of payments made by a municipality during  
17 the fiscal year for the retirement of principal and interest on outstanding tax exempt  
18 bonds, notes, or other indebtedness authorized by the qualified voters of the  
19 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of  
20 school construction, additions to schools, and major rehabilitation projects and  
21 education-related facilities that exceed \$200,000, are approved under  
22 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

23 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60  
24 percent of payments made by a municipality during the fiscal year for the retirement  
25 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
26 authorized by the qualified voters of the municipality on or after June 30, 1999, but  
27 before October 31, 2006, to pay costs of school construction, additions to schools, and  
28 major rehabilitation projects and education-related facilities that exceed \$200,000, are  
29 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
30 section;

31 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after

1 projects funded by the bonds, notes, or other indebtedness have been approved by the  
2 commissioner, 90 percent of payments made by a municipality during the fiscal year  
3 for the retirement of principal and interest on outstanding bonds, notes, or other  
4 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
5 1999, but before October 31, 2006, to pay costs of school construction, additions to  
6 schools, and major rehabilitation projects and education-related facilities that exceed  
7 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating  
8 share requirement for a municipal school district under the former participating share  
9 amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of  
10 this section;

11 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
12 funded by the tax exempt bonds, notes, or other indebtedness have been approved by  
13 the commissioner, 70 percent of payments made by a municipality during the fiscal  
14 year for the retirement of principal and interest on outstanding tax exempt bonds,  
15 notes, or other indebtedness authorized by the qualified voters of the municipality on  
16 or after October 1, 2006, but before January 1, 2015, to pay costs of school  
17 construction, additions to schools, and major rehabilitation projects and education-  
18 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and  
19 are not reimbursed under (o) of this section;

20 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
21 of payments made by a municipality during the fiscal year for the retirement of  
22 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
23 authorized by the qualified voters of the municipality on or after October 1, 2006, but  
24 before January 1, 2015, to pay costs of school construction, additions to schools, and  
25 major rehabilitation projects and education-related facilities that exceed \$200,000, are  
26 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

27 (18) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
28 funded by the tax exempt bonds, notes, or other indebtedness have been approved by  
29 the commissioner, 50 percent of payments made by a municipality during the fiscal  
30 year for the retirement of principal of and interest on outstanding tax exempt bonds,  
31 notes, or other indebtedness authorized by the qualified voters of the municipality on

1 or after July 1, 2030 [2025], to pay costs of school construction, additions to schools,  
 2 and major rehabilitation projects and education-related facilities that exceed \$200,000,  
 3 are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this  
 4 section;

5 (19) subject to (h), (i), and (j)(2), (3), and (5) of this section, 40 percent  
 6 of payments made by a municipality during the fiscal year for the retirement of  
 7 principal of and interest on outstanding tax exempt bonds, notes, or other indebtedness  
 8 authorized by the qualified voters of the municipality on or after July 1, 2030 [2025],  
 9 to pay costs of school construction, additions to schools, and major rehabilitation  
 10 projects and education-related facilities that exceed \$200,000, are reviewed under  
 11 AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

12 \* **Sec. 13.** AS 14.11.100(s) is amended to read:

13 (s) Notwithstanding any other provision of law, the commissioner may not  
 14 approve an application for bond debt reimbursement made by a municipality for  
 15 school construction or major maintenance for indebtedness authorized by the qualified  
 16 voters of the municipality on or after January 1, 2015, but before July 1, 2030 [2025].

17 \* **Sec. 14.** AS 14.11.102(c) is amended to read:

18 (c) The commissioner may not allocate funds to a municipality under  
 19 AS 14.11.100 for the retirement of the principal of and interest on outstanding tax-  
 20 exempt bonds, notes, or other indebtedness authorized by the qualified voters of the  
 21 municipality on or after January 1, 2015, but before July 1, 2030 [2025].

22 \* **Sec. 15.** AS 14.16.200(b) is amended to read:

23 (b) Costs that may be claimed by a district for reimbursement under (a) of this  
 24 section are

25 (1) one round trip on the least expensive means of transportation  
 26 between the student's community of residence and the school during the school year if  
 27 the district expends money for the trip; and

28 (2) a per-pupil monthly stipend to cover room and board expenses as  
 29 determined by the department on a regional basis and not to exceed the following  
 30 amounts:

31 (A) for the Southeast Region (Region I), \$1,845 [\$1,230];

1 (B) for the Southcentral Region (Region II), \$1,800 [\$1,200];

2 (C) for the Interior Region (Region III), \$2,178 [\$1,452];

3 (D) for the Southwest Region (Region IV), \$2,264 [\$1,509];

4 (E) for the Northern Remote Region (Region V), \$2,664

5 [\$1,776].

6 \* Sec. 16. AS 14.17.410(b) is amended to read:

7 (b) Public school funding consists of state aid, a required local contribution,  
8 and eligible federal impact aid determined as follows:

9 (1) state aid equals basic need minus a required local contribution and  
10 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum  
11 obtained under (D) of this paragraph, multiplied by the base student allocation set out  
12 in AS 14.17.470; district adjusted ADM is calculated as follows:

13 (A) the ADM of each school in the district is calculated by  
14 applying the school size factor to the student count as set out in AS 14.17.450;

15 (B) the number obtained under (A) of this paragraph is  
16 multiplied by the district cost factor described in AS 14.17.460;

17 (C) the ADMs of each school in a district, as adjusted  
18 according to (A) and (B) of this paragraph, are added to the number obtained  
19 for correspondence study under AS 14.17.430; the sum is then multiplied by  
20 the special needs factor set out in AS 14.17.420(a)(1) and the secondary school  
21 vocational and technical instruction funding factor set out in  
22 AS 14.17.420(a)(3);

23 (D) the number obtained for intensive services under  
24 AS 14.17.420(a)(2) is [AND THE NUMBER OBTAINED FOR  
25 CORRESPONDENCE STUDY UNDER AS 14.17.430 ARE] added to the  
26 number obtained under (C) of this paragraph or under (H) and (I) of this  
27 paragraph;

28 (E) notwithstanding (A) - (C) of this paragraph, if a school  
29 district's ADM adjusted for school size under (A) of this paragraph decreases  
30 by five percent or more from one fiscal year to the next fiscal year, the school  
31 district may use the last fiscal year before the decrease as a base fiscal year to

1 offset the decrease, according to the following method:

2 (i) for the first fiscal year after the base fiscal year  
3 determined under this subparagraph, the school district's ADM adjusted  
4 for school size determined under (A) of this paragraph is calculated as  
5 the district's ADM adjusted for school size, plus 75 percent of the  
6 difference in the district's ADM adjusted for school size between the  
7 base fiscal year and the first fiscal year after the base fiscal year;

8 (ii) for the second fiscal year after the base fiscal year  
9 determined under this subparagraph, the school district's ADM adjusted  
10 for school size determined under (A) of this paragraph is calculated as  
11 the district's ADM adjusted for school size, plus 50 percent of the  
12 difference in the district's ADM adjusted for school size between the  
13 base fiscal year and the second fiscal year after the base fiscal year;

14 (iii) for the third fiscal year after the base fiscal year  
15 determined under this subparagraph, the school district's ADM adjusted  
16 for school size determined under (A) of this paragraph is calculated as  
17 the district's ADM adjusted for school size, plus 25 percent of the  
18 difference in the district's ADM adjusted for school size between the  
19 base fiscal year and the third fiscal year after the base fiscal year;

20 (F) the method established in (E) of this paragraph is available  
21 to a school district for the three fiscal years following the base fiscal year  
22 determined under (E) of this paragraph only if the district's ADM adjusted for  
23 school size determined under (A) of this paragraph for each fiscal year is less  
24 than the district's ADM adjusted for school size in the base fiscal year;

25 (G) the method established in (E) of this paragraph does not  
26 apply to a decrease in the district's ADM adjusted for school size resulting  
27 from a loss of enrollment that occurs as a result of a boundary change under  
28 AS 29;

29 (H) notwithstanding (A) - (C) of this paragraph, if one or more  
30 schools close and consolidate with one or more other schools in the same  
31 community and district and, as a result of the consolidation, basic need

1 generated by the district's ADM of the consolidated schools as adjusted under  
2 (A) - (C) of this paragraph decreases, the district may use the last fiscal year  
3 before the consolidation as the base fiscal year to offset that decrease for the  
4 first four fiscal years following consolidation according to the following  
5 method:

6 (i) for the first two fiscal years after the base fiscal year,  
7 the district's ADM of the consolidated schools as adjusted under (A) -  
8 (C) of this paragraph is calculated by dividing the sum of the district's  
9 ADM of the consolidated schools as adjusted under (A) - (C) of this  
10 paragraph for the base fiscal year by the sum of the district's ADM of  
11 the consolidated schools for the base fiscal year without adjustment,  
12 and subtracting the quotient obtained by dividing the district's ADM of  
13 the consolidated schools for the current fiscal year as adjusted under  
14 (A) - (C) of this paragraph by the sum of the district's ADM of the  
15 consolidated schools for the current fiscal year without adjustment,  
16 multiplying that number by the sum of the district's ADM of the  
17 consolidated schools for the current fiscal year without adjustment, and  
18 adding that number to the sum of the district's ADM of the consolidated  
19 schools for the current fiscal year as adjusted under (A) - (C) of this  
20 paragraph;

21 (ii) for the third fiscal year after the base fiscal year, the  
22 district's ADM of the consolidated schools as adjusted under (A) - (C)  
23 of this paragraph is calculated by dividing the sum of the district's  
24 ADM of the consolidated schools as adjusted under (A) - (C) of this  
25 paragraph for the base fiscal year by the sum of the district's ADM of  
26 the consolidated schools for the base fiscal year without adjustment,  
27 and subtracting the quotient obtained by dividing the sum of the  
28 district's ADM of the consolidated schools for the current fiscal year as  
29 adjusted under (A) - (C) of this paragraph by the sum of the district's  
30 ADM of the consolidated schools for the current fiscal year,  
31 multiplying that number by the sum of the district's ADM of the

1 consolidated schools for the current fiscal year without adjustment,  
2 multiplying that number by 66 percent, and adding that number to the  
3 sum of the district's ADM of the consolidated schools for the current  
4 fiscal year as adjusted under (A) - (C) of this paragraph;

5 (iii) for the fourth fiscal year after the base fiscal year,  
6 the district's ADM of the consolidated schools as adjusted under (A) -  
7 (C) of this paragraph is calculated by dividing the sum of the district's  
8 ADM of the consolidated schools as adjusted under (A) - (C) of this  
9 paragraph for the base fiscal year by the sum of the district's ADM of  
10 the consolidated schools for the base fiscal year without adjustment,  
11 and subtracting the quotient obtained by dividing the sum of the  
12 district's ADM of the consolidated schools for the current fiscal year as  
13 adjusted under (A) - (C) of this paragraph by the sum of the district's  
14 ADM of the consolidated schools for the current fiscal year,  
15 multiplying that number by the sum of the district's ADM of the  
16 consolidated schools for the current fiscal year without adjustment,  
17 multiplying that number by 33 percent, and adding that number to the  
18 sum of the district's ADM of the consolidated schools for the current  
19 fiscal year as adjusted under (A) - (C) of this paragraph;

20 (iv) to calculate the district's basic need for each fiscal  
21 year, the number obtained through the calculation in (i), (ii), or (iii) of  
22 this subparagraph is added to the number obtained under (C) of this  
23 paragraph for the remainder of the district;

24 (I) if the basic need calculated under (H)(i) - (iii) of this  
25 paragraph for one of the first four fiscal years after consolidation is less than  
26 the basic need calculated under (A) - (C) of this paragraph for that fiscal year,  
27 the basic need may not be adjusted under (H) of this paragraph for that fiscal  
28 year;

29 (J) a district may not offset a decrease under (H) of this  
30 paragraph if

31 (i) a new facility is constructed in the district for the

1 consolidation; or

2 (ii) the district offset a decrease under (E) of this  
3 paragraph in the same fiscal year;

4 (K) a district that offsets a decrease under (H) of this paragraph  
5 may not reopen a school that was closed for consolidation in the district until

6 (i) seven or more years have passed since the school  
7 closure; and

8 (ii) the district provides evidence satisfactory to the  
9 department that the schools affected by the consolidation are over  
10 capacity;

11 (L) a district may not reopen and reconsolidate a school that  
12 was consolidated in the district more than once every seven years for purposes  
13 of the calculations made under (H) of this paragraph;

14 (M) a district offsetting a decrease under (H) of this paragraph  
15 shall provide the department with the list of schools participating in the  
16 consolidation and the corresponding ADM;

17 (2) the required local contribution of a city or borough school district is  
18 the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and  
19 personal property in the district as of January 1 of the second preceding fiscal year, as  
20 determined by the Department of Commerce, Community, and Economic  
21 Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a  
22 district's basic need for the preceding fiscal year as determined under (1) of this  
23 subsection.

24 \* Sec. 17. AS 14.17.430 is amended to read:

25 **Sec. 14.17.430. State funding for correspondence study.** Except as provided  
26 in AS 14.17.400(b), funding for the state centralized correspondence study program or  
27 a district correspondence program, including a district that offers a statewide  
28 correspondence study program, includes an allocation from the public education fund  
29 in an amount calculated by using [MULTIPLYING] the ADM of the correspondence  
30 program reported under AS 14.17.500(a) and 14.17.600(a) [BY 90 PERCENT]."  
31

1 Page 1, line 3:

2 Delete "Section 1"

3 Insert "Sec. 18"

4

5 Renumber the following bill section accordingly.

6

7 Page 1, line 4:

8 Delete "\$6,960"

9 Insert "\$6,970"

10

11 Page 1, line 6:

12 Delete all material and insert:

13 **"\* Sec. 19.** AS 14.20 is amended by adding a new section to article 3 to read:

14 **Sec. 14.20.255. Lump sum payment for certain teachers.** (a) Subject to  
 15 appropriation for the fiscal years ending June 30, 2027, June 30, 2030, and June 30,  
 16 2033, a certificated full-time teacher is entitled to receive a lump sum payment as a  
 17 retention and recruitment incentive if the teacher was employed in a full-time  
 18 classroom teaching position for the entirety of the school term for the school year  
 19 immediately preceding the date of payment. The department shall pay the retention  
 20 and recruitment incentive on or within a reasonable period after July 1, 2026, July 1,  
 21 2029, and July 1, 2032. The department shall reduce the retention and recruitment  
 22 incentive by the amount necessary to pay mandatory employee and employer  
 23 deductions, including a deduction required under AS 14.25. Subject to the application  
 24 and certification requirements described in (e) of this section, the department shall pay  
 25 the retention and recruitment incentives through grants to school districts as described  
 26 in (b) - (e) of this section.

27 (b) The department shall pay \$7,000 for each eligible certificated full-time  
 28 teacher teaching in the following districts:

29 (1) Anchorage School District;

30 (2) Fairbanks North Star Borough School District;

31 (3) Juneau Borough School District;

- 1 (4) Kenai Peninsula Borough School District;  
2 (5) Matanuska-Susitna Borough School District.

3 (c) The department shall pay \$12,000 for each eligible certificated full-time  
4 teacher teaching in the following districts:

- 5 (1) Alaska Gateway School District;  
6 (2) Aleutian Region School District;  
7 (3) Aleutians East Borough School District;  
8 (4) Annette Island School District;  
9 (5) Chugach School District;  
10 (6) Copper River School District;  
11 (7) Cordova City School District;  
12 (8) Delta/Greely School District;  
13 (9) Denali Borough School District;  
14 (10) Galena City School District;  
15 (11) Haines Borough School District;  
16 (12) Ketchikan Gateway Borough School District;  
17 (13) Kodiak Island Borough School District;  
18 (14) Mt. Edgecumbe High School;  
19 (15) Nenana City School District;  
20 (16) Nome Public Schools;  
21 (17) Petersburg Borough School District;  
22 (18) Saint Mary's School District;  
23 (19) Sitka School District;  
24 (20) Skagway School District;  
25 (21) Unalaska City School District;  
26 (22) Valdez City School District;  
27 (23) Wrangell Public School District;  
28 (24) Yakutat School District.

29 (d) The department shall pay \$17,000 for each eligible certificated full-time  
30 teacher teaching in the following districts:

- 31 (1) Bering Strait School District;

- 1 (2) Bristol Bay Borough School District;
- 2 (3) Chatham School District;
- 3 (4) Craig City School District;
- 4 (5) Dillingham City School District;
- 5 (6) Hoonah City School District;
- 6 (7) Hydaburg City School District;
- 7 (8) Iditarod Area School District;
- 8 (9) Kake City School District;
- 9 (10) Kashunamiut School District;
- 10 (11) Klawock City School District;
- 11 (12) Kuspuk School District;
- 12 (13) Lake and Peninsula Borough School District;
- 13 (14) Lower Kuskokwim School District;
- 14 (15) Lower Yukon School District;
- 15 (16) North Slope Borough School District;
- 16 (17) Northwest Arctic Borough School District;
- 17 (18) Pelican City School District;
- 18 (19) Pribilof School District;
- 19 (20) Southeast Island School District;
- 20 (21) Southwest Region School District;
- 21 (22) Tanana City School District;
- 22 (23) Yukon Flats School District;
- 23 (24) Yukon-Koyukuk School District;
- 24 (25) Yupiit School District.

25 (e) To be eligible for the retention and recruitment incentive described in this  
26 section, a certificated full-time teacher must apply during each eligible calendar year  
27 to the department on a date not later than the final day in session for the school term  
28 established by the governing body of the teacher's school district or regional  
29 educational attendance area. Application for payment shall be made on a form  
30 designated by the commissioner. For each teacher who applies, the school district or  
31 regional educational attendance area shall certify the teacher's eligibility for payment

1 under this section to the department.

2 (f) Payment made under this section is considered compensation for the  
3 purposes of AS 14.25.

4 (g) The department may adopt regulations necessary to carry out the purposes  
5 of this section.

6 (h) In this section, "certificated full-time teacher"

7 (1) means an individual occupying a position that requires

8 (A) a teaching certificate as a condition of employment; and

9 (B) teaching on a regular basis during the normal work period  
10 for each day or week at a classroom teaching assignment in a public  
11 elementary or secondary school;

12 (2) does not include an individual teaching as an assistant or graduate  
13 assistant or teaching on a substitute, temporary, or per diem basis.

14 \* **Sec. 20.** AS 14.33 is amended by adding a new section to read:

15 **Article 5. Mobile Communication Devices in Schools.**

16 **Sec. 14.33.300. Mobile communication devices in schools.** (a) The governing  
17 body of a school district shall adopt a policy that prohibits a student from using a  
18 personal mobile communication device while in school under the supervision of an  
19 employee of the school district except

20 (1) in the event of an emergency or a perceived threat of danger;

21 (2) when a teacher or administrator of the school grants permission to  
22 the student to use the device for educational purposes;

23 (3) when use of the device is necessary for the health or well-being of  
24 the student; or

25 (4) when use of the device is a required component of the student's  
26 individualized education plan.

27 (b) This section does not authorize the monitoring, collecting, or accessing of  
28 information related to a student's use of a personal mobile communication device.

29 (c) In this section, "mobile communication device" means a cellular telephone,  
30 smart phone, personal data assistant, wireless tablet, computer, or similar device used  
31 for voice or visual communication.

1 \* **Sec. 21.** AS 44.27 is amended by adding new sections to read:

2 **Article 3. Education Scholarship Account Program.**

3 **Sec. 44.27.100. Education scholarship account program; regulations.** The  
4 education scholarship account program is established in the department. The  
5 department shall administer the program for the purpose of providing public funding  
6 for the education of a student who is being educated in the state as described in  
7 AS 44.27.110(2). The department shall create an account for each student who is  
8 participating in the program. The department may adopt regulations necessary to  
9 administer the program.

10 **Sec. 44.27.110. Education scholarship account eligibility.** A parent or  
11 guardian of a student may participate in the education scholarship account program on  
12 behalf of the student if

13 (1) the parent or guardian applies to the department on a form or in a  
14 format prescribed by the department and enters into a written agreement with the  
15 department to participate in the program; and

16 (2) the student is being educated in the state through

17 (A) attendance at a school or program, or enrollment in a state  
18 boarding school or correspondence study program, that meets the requirements  
19 of AS 14.30.010(b)(1)(A) or (C) or (10) and the school or program implements  
20 annual testing that measures student improvement and academic achievement;  
21 or

22 (B) tutoring as described in AS 14.30.010(b)(1)(B) and  
23 annually takes a test that measures student improvement and academic  
24 achievement.

25 **Sec. 44.27.120. Education scholarship account amount and use.** (a) Subject  
26 to appropriation, the department shall deposit annually into each participating student's  
27 account an amount equal to the amount of the base student allocation set out in  
28 AS 14.17.470 for the student's education for the school year.

29 (b) For a participating student with a disability who is eligible to receive  
30 special education and related services under AS 14.30.180 - 14.30.350, the department  
31 shall deposit annually into the participating student's account the amount described in

1 (a) of this section, plus additional funding in an amount determined by the department.  
2 The department's determination must be based on the degree of the student's special  
3 education needs and may not exceed \$20,000 for the participating student's education  
4 for the school year.

5 (c) The department shall, using money in a participating student's account, pay  
6 for a participating student's qualifying education expenses described in AS 44.27.130.  
7 The department shall provide the payment directly to the school or program providing  
8 the service to which the expense relates. The department may not refund, rebate, or  
9 share with the parent, guardian, or participating student funds deposited into the  
10 participating student's account. A refund or rebate for goods or services purchased  
11 with funds in the participating student's account must be credited directly to the  
12 participating student's account and may be used only as described in AS 44.27.130.

13 (d) Unused funds in a participating student's account carry over from year to  
14 year unless the department closes the participating student's account. After a  
15 participating student's account is closed under this subsection, all unexpended and  
16 unobligated funds in the account lapse into the general fund. The department shall  
17 close a participating student's account if

18 (1) the student no longer meets the eligibility criteria required to  
19 participate in the program under AS 44.27.110;

20 (2) the parent or guardian of the participating student withdraws the  
21 participating student from the program;

22 (3) the participating student has obtained a high school diploma or a  
23 general education development diploma or its equivalent; or

24 (4) the participating student or parent or guardian of the participating  
25 student has failed to comply with a requirement of this section or a regulation adopted  
26 under this section.

27 (e) If insufficient funding is appropriated to fund the allocations authorized  
28 under (a) and (b) of this section, the department shall distribute the funding  
29 proportionately among accounts of participating students.

30 **Sec. 44.27.130. Qualifying education expenses.** Money in a participating  
31 student's account may be used only for the cost of

1 (1) tuition for a school or program described in AS 14.30.010(b)(1)(A)  
2 or (C) or (10) that the student attends;

3 (2) tuition for a course in which the student is enrolled at the  
4 University of Alaska;

5 (3) tutoring provided to the student under AS 14.30.010(b)(1)(B);

6 (4) nutrition for the student;

7 (5) supplies relating to the education of the student; and

8 (6) transportation for the student for educational purposes.

9 **Sec. 44.27.140. Definitions.** In AS 44.27.100 - 44.27.140,

10 (1) "account" means an education scholarship account established for a  
11 participating student under AS 44.27.100;

12 (2) "department" means the Department of Education and Early  
13 Development;

14 (3) "participating student" means a student participating in the  
15 education scholarship account program established in AS 44.27.100;

16 (4) "program" means the education scholarship account program  
17 established in AS 44.27.100.

18 \* **Sec. 22.** Section 6, ch. 3, SLA 2015, as amended by sec. 5, ch. 6, SLA 2020, is amended  
19 to read:

20 Sec. 6. AS 14.11.014(d), 14.11.100(s), and 14.11.102(c) are repealed July 1,

21 2030 [2025].

22 \* **Sec. 23.** AS 14.20.255 is repealed July 1, 2033.

23 \* **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to  
24 read:

25 **TRANSITION: EDUCATION SCHOLARSHIP ACCOUNT ELIGIBILITY.**

26 Notwithstanding AS 44.27.110 and 44.27.120(a), added by sec. 21 of this Act, a student may  
27 participate in the education scholarship account program

28 (1) for the fiscal year ending June 30, 2026, only if the student is a child with  
29 a disability as defined in AS 14.30.350 and is eligible to receive special education and related  
30 services under AS 14.30.180 - 14.30.350;

31 (2) for the fiscal year ending June 30, 2027, only if

1 (A) the student is eligible under (1) of this section;

2 (B) the student is entitled to English as a second language or bilingual  
3 services based on the student's English language proficiency;

4 (C) the student is a foster child; if the department deposits education  
5 scholarship account program funding into an account for a foster child under this  
6 subparagraph, the department shall also deposit education scholarship account  
7 program funding into accounts for other children who are being educated in the state  
8 as described in AS 44.27.110(2) and who live in the same household as the foster  
9 child; in this subparagraph, "foster child" means a child committed to the custody of  
10 the Department of Family and Community Services under AS 47.10; or

11 (D) the student's family has an income equal to or less than 125  
12 percent of the most recent federal poverty guidelines for the state set by the United  
13 States Department of Health and Human Services.

14 \* **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to  
15 read:

16 **RETROACTIVITY.** Section 22 of this Act is retroactive to July 1, 2025.

17 \* **Sec. 26.** Sections 11 - 14, 22, and 25 of this Act take effect June 30, 2025.

18 \* **Sec. 27.** Sections 1, 2, 5, 6, 10, 15 - 21, 23, and 24 of this Act take effect July 1, 2025.

19 \* **Sec. 28.** Except as provided in secs. 26 and 27 of this Act, this Act takes effect July 1,  
20 2026."